

Sales Manual and Analysis of Distribution Channels of RUPA & Co. Ltd.

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IIM Calcutta
8/13/2010

ACKNOWLEDGMENT

“You learn something every day if you pay attention.” it is often said. We realized it even better during our Project work. When we completed this journey, we may not have come this far without help, guidance and support of certain people who acted as guides, friends and torch bearers along the way.

We express my deepest and most sincere thanks to Mr. Sudas Roy, Professor; marketing without his help and support this project would not have been possible. We express our gratitude to Mr. Roy for helping us and providing us useful information. Interacting with him we learnt few tricks of professional management and I am sure the knowledge imparted will go in a long way in enriching our career. He helped us a lot while going through the whole project with all his efforts for the successful completion of the project.

You learn more quickly under the guidance of experienced Professional. You waste a lot of time going down blind alleys if you have no one to lead you and this report eminently more understandable than it otherwise might have been, without the help of Mr. L.S.S. Lal, Vice-President, Corporate Planning and Strategic Management, Rupa & Co. Ltd.

Last but not the least; we take this opportunity to express our sincere thanks to all of our friends who has directly or indirectly helped us in completing the project successfully.

SALES

MANUAL

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Introduction

This Sales Manual is a compilation of information on vital aspects of the hosiery market and on how to handle the various aspects of sales of the products in our itinerary.

It is intended for use by sales professionals involved in the business of selling Rupa products. It is expected that the sales manual will equip persons selling these products with a user-friendly tool which will hopefully answer the many questions that may arise.

The production of this sales manual is part of our ongoing efforts to provide useful and up-to-date information to our sales force in the trade who have worked towards getting the word out in the market place over the past several years.

Please help us in our efforts to make Rupa more familiar among your clients and those wanting information on our highly useful and high quality products.

We hope this Sales Manual will be as useful as it was designed to be. Should you have any comments, suggestions and/or further questions, please feel free to address them to any of our offices.



Rupa – At a Glance

Incorporation

The company Rupa & Company Limited was formed in the year 1985. Within a span of decade from the formation of the company a major step forward was taken and the company came out with a public issue in the financial year 1995-96 and became a public limited company.

Promoters:

The company has been promoted by three brothers in relation:

Shri P. R. Agarwala, Chairman

Shri G. P. Agarwala – Vice Chairman

Shri K. B. Agarwala- Managing Director

P. R. Agarwala: Shri P. R. Agarwala aged about 71 years is B.Com and LLB with 45 years experience in hosiery business. He holds position of Chairman and takes strategic decisions of the Company.

G. P. Agarwala: Shri G. P. Agarwala aged about 64 years and is Vice Chairman of the Company and supervises the production process and logistics solutions of the Company.

K. B. Agarwala: Shri K. B. Agarwala aged about 60 years with 30 years of experience serves the company as Managing Director and by qualification is commerce graduate. He is in charge of marketing, Finance and Corporate Affairs of the Company.

The promoters Shri P. R. Agarwala, Shri G. P. Agarwala and Shri K. B. Agarwala had cherished a vision and mission while incorporating the company. Even though being a first generation entrepreneur it is undoubtedly their zeal, hard work, effort, guidance and management, which has made RUPA a household name and India's, leading company of hosiery industry today. The company has performed exemplarily well ever since its incorporation and has long-term vision to be a global player in the innerwear and casual-wear segment.

Board & Management:

The present strength of the Board is 10 directors of which 5 directors are promoter directors in the capacity of Chairman, Vice Chairman & Managing Director, 2 Directors and 5 independent directors. The Company is a professionally managed company and has engaged professional managers to manage the day-to-day affairs of the company.

Industry & Business Description

The Indian garment industry is vital to the economy of the country. It is the largest employer after agriculture. The garment industry has two vital arms, the knitted garment sector and the woven garment sector. The knitted garment sector (Hosiery) constitutes about 25% of the total production. Hosiery items include a wide range of products though mainly concentrated on innerwear and casual wear. The company's products include both innerwear and casual-wear items. In the hosiery sector RUPA is one of the leading brands in India and it has been able to successfully establish itself with consumers for comfort & style. Brands such as Macroman, Frontline, Jon, Thermocot, Softline, Footline, Bumchums etc., are today well established brands of hosiery in India, favored by the consumers for product quality, design, comfort and style.

Brand Recognition

For any FMCG company the prime asset is its brand value & recognition. The brands of the company such as Frontline, Jon, Macroman, Thermocot, Footline, Softline, Bumchums, Zooreka, Ribline, etc are household name for hosiery products. Each brand has unique product features and design. The Company has always recognized the value of brand in terms of growth for the company and it has always been the endeavor of the company to promote its brands. The company's expenses on account of advertisement in all forms of media, campaigns and celebrity endorsement have paid-off and as a result of which the brands are omnipresent in the market and consumer mind-space.

Quality

The company has always provided highest standard of quality products to its consumers. In its endeavor the company has always believed in modern technology and latest machinery. The manufacturing facilities of the company are equipped with state-of-the-art machinery backed by a sophisticated in-house laboratory and R & D facilities. Computerized equipment has also been installed to check fabric and color. The accent in the quality management system is to provide to the rapidly changing fashion conscious consumer products which has a blend of comfort and style. It is as a result of the efforts and investments made for maintaining highest quality standards that today the very name 'RUPA' stands for quality.

Vision

To be a global player in the innerwear and casual wear categories.

Mission

To produce the finest quality products through continuous innovation and improvement, providing for the consumer a stylish and comfortable experience.

Product Portfolio

A list of all the products and a description of them are provided in this section

Frontline

Frontline Vest undisputedly is the frontrunner in the Rupa portfolio. Frontline is India's highest selling brand of vests. Made from smooth, super-combed cotton and a special Oxyfresh knit, Frontline vests allow the body to stay fresh 'n' cool, throughout the day. Endorsed by Bollywood superstar Govinda in the past, Rupa Frontline now has Sanjay Dutt fronting the brand with just the right attitude. After all, Yeh Style Ka Mamla Hai!



Frontline Briefs available in a variety of attractive colours to suit your moods, Frontline briefs are made from 100% super-combed cotton. A two-layered, contoured pouch gives a stylish snug fit while the quality elastic made from imported rubber offers a unique flexi-fit. And its special Oxyfresh knit keeps you fresh 'n' cool day long. Frontline briefs are available in three variants, French Front, Front Open and newly introduced Xing premium briefs.

Frontline Drawers made from 100% cotton and designed especially for a firm and flexi-fit, they are truly a statement in comfortable and stylish innerwear. Frontline drawers are available in three variants, Ribbed, Interlock and 'V' style.

Xing Brief

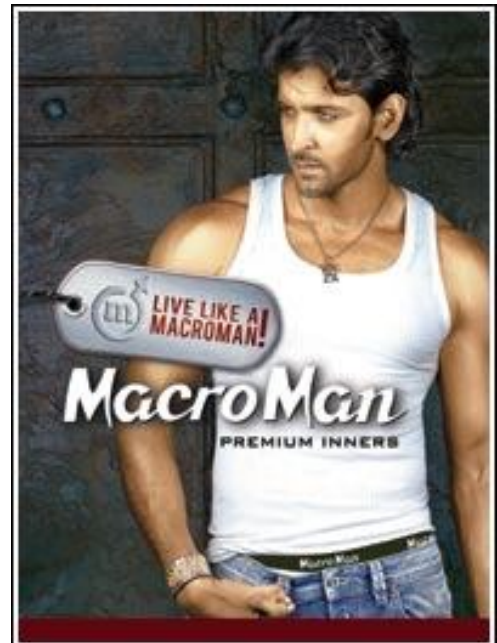
Rupa's constant drive to manufacture new and improved products for Indian market undergoes a constant research to discover the changing needs of consumers across the country. And then through innovations and improvement Rupa has always given the Indian market new products that provide more comfort and confidence. The latest result of Rupa's endeavor is Xing premium briefs under the flagship brand Frontline which is India's largest selling brand of vests. The stylish Rupa frontline Xing premium briefs is 100% combed cotton and the finest quality elastic for that perfect shape, fit and comfort and comes in 11 attractive colours. Its special Oxyfresh knit keeps the body fresh all day long.

MacroMan

Also driven by attitude, MacroMan briefs and vests are the very next in line, in terms of volume of sales.

Yet another Premium quality offering from house of Rupa, it is positioned as macho and attractive. MacroMan Briefs have imported elastic with smooth cotton lining inside that protects the skin and adds to the comfort. It also contains a cotton pouch for sweat absorbance that allows you to stay fresh, all day.

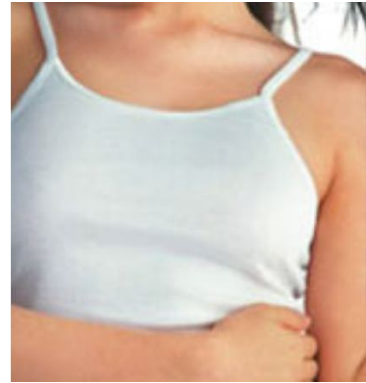
MacroMan Vests with silky finish are biologically treated, making the vest extra soft and durable for a perfect fit, ensuring you Feel Like A MacroMan.



Softline

Stylish and sensual through every inch, Softline is the complete women's range within the Rupa portfolio.

Softline Bras designed for the Indian woman, they are soft, appealing and add to a woman's beauty. They are scientifically designed for stretchability and comfort.



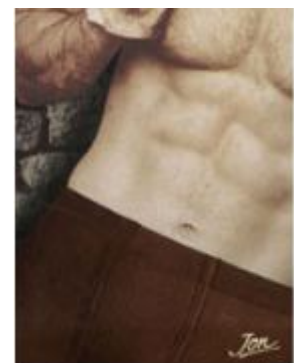
Softline Panties made from 100% cotton, are comfortable and are made to suit Indian conditions. Butterfly Range crafted to fit the needs of the Indian woman, is made from 100% super-combed premium cotton for maximum sweat absorbance. Available in a variety of designer bras, panties and camisoles, they are truly styled for those who believe in the freedom of the mind and body.

Jon

Positioned as the tough one, Jon clads the lower end of the spectrum of consumers. Jon Vests are made from 100% fine cotton and a special stitching that gives it a soft, smart fut. Durable, it retains its shape even after a number of washes.

Jon Drawers are made from 100% fine cotton for maximum sweat absorption with a double pouch design and imported rubber elastic all-round comfort.

Jon Panties are made from 100% fine cotton and are available in a fashionable range called Aishwarya.



Bumchum

So, what's your funside? Its Bumchums, of course – the casualwear segment within the Rupa portfolio that's made from 100% super soft cotton. The Bumchum's range includes T-shirts, Bermudas and loungers for the young 'n' trendy. The fabric is treated with a special bio-wash to give it extra softness and shine. More style, more comfort and, of course, loads of pure, unadulterated fun.



Thermocot

Available in five variants – Boiler, Heat, Volcano, Sunshine and Premium; Thermocot, the market leader in thermal-wear segment is Rupa's answer to bone-chilling winters. Winner of excellence award for the Best Winter Knitwear Brand 2003-2004, Thermocot is one brand for everyone. And what's more, it is stylish, young, trendy and very, very hot.

Ribline

A brand that's designed for the young and sporty. Positioned as Vigorous Confidence, Ribline vests cater to specific consumer needs. Known for its flexibility, elasticity and comfortable fitting, its super-comber cotton yarn and fold stitching adds to its durability. The unique stretchable weave allows the fabric to fit well on the body, giving the wearer flexibility of movement.



Footline

Positioned as fashion at your feet, Footline is Rupa's range of socks that spans through 14 categories for different ages and styles. Made from 100% cotton, these are extra durable socks that your feet would only love to slip into.

GUIDELINES

Pricing

Since price of innerwear is major factor in deciding the purchase, the sales representative must know all the prices of the products. He may carry a price chart for the product range when on sales route but must be updated with any changes in the pricing. Given that, Rupa offers an economical range of products as well, the sales representative must ensure that the retailer is aware of our price competitiveness.

Competition

The sales representative must be informed of the product range, prices, brands and strategies employed by the competition. This information would help the sales representative to identify which product characteristics can be focussed upon while selling Rupa's products. This will help Rupa's keep abreast of the information regarding the competition. Based on such inputs the company can decide on future strategic decisions and help improve the overall product offering.

Selling Strategy

The sales representative must be aware of all the qualities associated with a particular Rupa product. The sales representative must emphasize on the product's differential qualities and advantages over the competition's similar product on specific parameters like fit, color range comfort etc. The sales representative must employ a unique strategy to sell to different types of retail outlets catering to different sections of the public.

Presentation and demonstration

The sales representative must carry a sample of all the products available in order to demonstrate the product features. In his demonstration, the sales representative must clearly and unambiguously demonstrate each of the products' features and focus on its advantages in terms of material, fit, comfort, price, brand, quality and style over the competition. The sales representative must be dressed presentably while going on their sales route and giving product demonstration. The sales representative can carry a price chart along with product information to give away to the customer.

PRODUCT SEGMENTATION

		Men					Women			
S.No.	BRANDS	Category	Type	Brief	Vest	Drawer	Panty	Camisole	Bra	Apparel
1	Rupa Jon	Him	Innerwear	yes	yes	yes				
2	Rupa Frontline	Him	Innerwear	yes	yes	yes				
3	Rupa Frontline Xing	Him	Innerwear	yes	Gym Vest					
4	Rupa Sky Wing	Him	Innerwear		yes					
5	Rupa Interlock	Him	Innerwear		yes					
6	Rupa Rib Line	Him	Innerwear		yes					
7	Rupa MacroMan	Him	Innerwear	yes						
8	MacroMan M-series	Him	Innerwear	yes	yes	yes				yes
9	Rupa Bumchums	Him	Casual							yes
10	Rupa Softline -	Her	Innerwear				yes	yes	yes	
11	Rupa Butterfly	Her	Innerwear				yes	yes		
12	Rupa Thermocot	Uni sex	Innerwear							yes
13	Rupa Kidline	Uni sex	Innerwear	yes	yes	yes		Yes		yes
14	Rupa Footline	Uni sex	Socks							

Guidelines for Questions to achieve Maximal Effectiveness of Sales effort

1. Discussion and Interpretation

- **Open-end Questions designed to be *probing* in nature**
 - Do you currently sell any branded undergarments?
 - Why do you prefer to sell *THAT* brand?

2. Gain Confirmation & Discover Attitudes/Opinions

- **Closed-end Questions designed to be *Evaluative* in nature**
 - How would you feel about introducing RUPA products in your store?
 - Are you able to recognize the merits of selling RUPA over other brands?

3. Confirmation and Agreement

- **Closed-end Questions designed to be *Tactical* in nature**
 - Could you tell me more about why you want to stick to your current brand?
 - As we discussed earlier what margins are you looking for?

4. Choice from Alternative

- **Closed-end Questions designed to be *Reactive* in nature**
 - Could you give me an example of a competitor's product which has a better image than RUPA's product?
 - Can you tell me what happened when you needed quicker delivery during peak season?

DISTRIBUTION CHANNEL ANALYSIS

ABSTRACT

In India, the inner wear market is segmented between the organized and unorganized sector. Innerwear ceased to remain a utility item in the '80s. However, with change in lifestyles and better buying power, consumers have become more selective and demanding. And this has resulted in branded wear gaining ground.

In earlier days discussions on inner wear was taboo, usually confined to the mother and daughter but today all this has changed. Inner wear is increasingly being looked upon as a fashion accessory.

The main objective of this report is to study of Rupa & Co.'s traditional distribution system and channel partners. In the course of this study, the problems, challenges and bottlenecks faced by the various channel members have been documented. Project has been done at Rupa & Co. Ltd. Head-Office at Kolkata. Company is major player in Indian Hosiery Industry and is acclaimed by Limca Books of Records as the largest innerwear manufacturing and marketing company in India for six consecutive years. Rupa who has significant presence on pan-India basis is the leader in Men's innerwear market in India. Rupa currently has 700 plus strong dealer network in India, which will be further bolstered in coming years.

The future of the inner wear market looks hot and positive as more MNC's are stepping into the arena with their unparalleled marketing strategies and their latest product range that is in tune with fashion trends the world over.

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OVERVIEW OF HOSIERY INDUSTRY:

The innerwear market in India is currently valued at Rs. 11600 crore in value terms. From these pie of Rs. 11600 crore 35% to 45% share is of organized market and rest belongs to unorganized market. The women Lingerie comprises of Rs. 6960 crore. The Indian lingerie industry is poised for a great leap ahead due to the growing domestic demand coupled with huge export potential. There are more than 1000 Indian brands present, but only 200 are active nationwide. The remaining caters to markets in the vicinity of their manufacture. The Last decade has witnessed inflow of many multinational brands in the Indian innerwear market. Many foreign companies have already set up or are in the process of setting up their manufacturing units in India in collaboration with local players. India's vast resources, skilled manpower and infrastructure attract a lot of foreign investment in the field of innerwear.

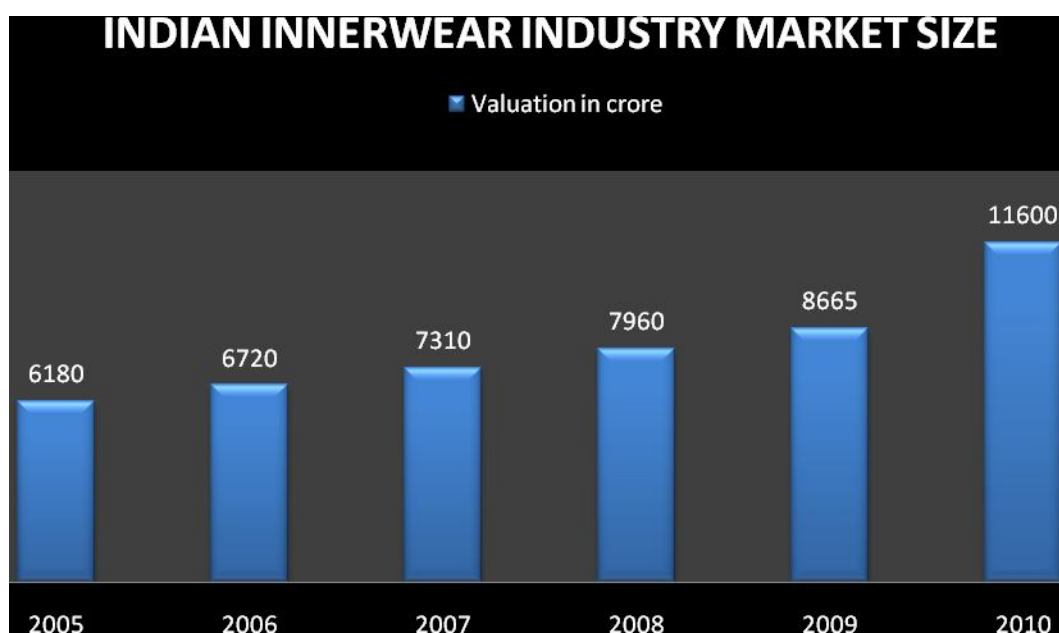


FIG.1

In India, the inner wear market is segmented between the organized & unorganized sector. Innerwear ceased to remain a utility item in the '80s. However, with change in lifestyles and better buying power, consumers have become more selective and demanding. And this has resulted in branded wear gaining ground.

HOSIERY MARKET IN INDIA

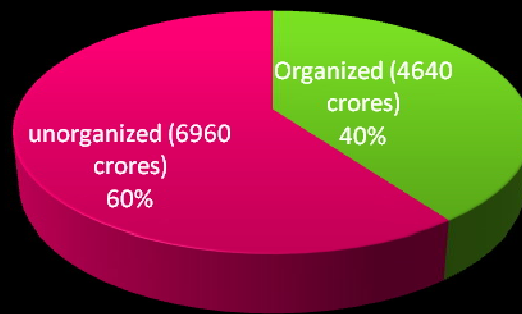


FIG.2

During the past few years, there has been a significant rise in corporate interest towards the inner wear segment for various reasons. One of the reasons being the huge domestic market that today demands for better quality products and also the growing export prospects, especially to Europe.

Inner wear is increasingly being looked upon as a fashion accessory. The future of the inner wear market looks hot and positive as more MNC's are stepping into the arena with their unparalleled marketing strategies and their latest product range that is in tune with fashion trends the world over.

But the undergarment sector in India, till recently was one of the few markets that did not witness the entry of multinationals. However, with globalization of the Indian economy, international innerwear giants like Jockey International Inc. and VF (Vanity Fair) Corporation have entered Indian markets. Thus, the market, with the entry of new brands is set for a buoyant trend. Also the role of the media cannot be ignored.

Then come the various beauty contests and manhunt shows, where our folks sashay down the ramp dressed in their scantiest for that glittering piece of metal. And in the process serve as inspirational material to scores of dreamers. So popular are these contests and shows that inner wear companies have started launching their product range at exclusive lingerie shows.

In a market like that of India, where competition is on the uptrend, the role of effective communication plays a vital role (apart from design innovations, quality and distribution) in making the brand a success.

COMPANY PROFILE

Rupa was founded in 1968 and is currently India's leading Innerwear Company, acclaimed by Limca Books of Records as the largest innerwear manufacturing and marketing company in India for six consecutive years. Having a presence in over 1, 00,000 retail stores across the country and a daily capacity to produce 6, 00,000 pieces of finished goods. Rupa now has a product range, wide enough to cater to the demands of various individual preferences. With constant learning, innovation and refinement of its operations, has transited seamlessly from a production driven to a customer driven enterprise and is fully prepared to face challenges of total customer satisfaction at a global level.

Vision of Rupa

To be a global player in the innerwear and casual wear categories.

Mission of Rupa

To produce the finest quality products through continuous innovation and improvement, providing for the consumer a stylish and comfortable experience.

STUDY OF DISTRIBUTION CHANNELS

The understanding and the knowledge developed from the distribution channel study have been used to bring some useful results about Rupa's distribution channels. These findings have been used to come up with the strengths and weaknesses of Rupa's distribution network. Also it has helped to do an analysis of opportunities and threats present in the inner wear market in the context of Rupa.

Direct Distribution Channels

Channel 1: Manufacturer to Consumer: Sales through Internet



In Channel 1 distribution, there is no intermediary between the manufacturer and the consumer and the manufacturer himself ensures the supply of goods to the consumer. Such a channel has been employed in Rupa in the form of sales through internet. Only one brand- Euro is sold through this medium. The turnover through this medium for the year 2009-10 stands at a tiny Rs. 50,000.

Indirect distribution Channels

Channel 2: Manufacturer to retailer to consumer



There is only one intermediary between manufacturer and consumer in channel 2 distribution channel. This distribution channel is present in the form of Large Format Stores, Modern Format Stores, Institutional Sales and Corporate Accounts in Rupa. The only brands sold through this channel are value packs of Rupa Jon, Frontline and Soft Line. The sales through large format stores in the year 2009-10 stand at Rs 44 lacs.

Eg: Large Format Stores, Modern Format Stores, Institutional Sales, Corporate Accounts

Channel 3: Manufacturer to distributor to retailer to consumer

Distribution through retail channel



There are two intermediaries between the manufacturer and the consumer namely distributor and retailer. This channel is present in two forms in Rupa:

Rupa Junctions: Rupa Junctions are the exclusive brand outlets of the company. They keep all the brands of Rupa and are spread across five states namely Uttar Pradesh, West Bengal, Orissa, Jharkhand and Assam. There are 45 Junctions stores present in the country. The distributors supply the junctions. The turnover through this channel for the year 2009-10 is Rs.16,584,386.

Conventional Channel: The other type of channel 3 distribution present in Rupa is its very conventional channel where it sells its goods to the retailers through the distributors. This is by far the most successful distribution channel for Rupa and also the most established one. The turnover through this medium stands at a whopping Rs 536 Crores and constitutes more than 99% of overall sales.

Under Conventional Channel, there are two approaches within Rupa:

Approach-1: States/brands are serviced through agents. Wholesalers get their stock primarily by placing orders with agents. These agents then forward all the orders to respective Rupa offices for dispatches. All of the operations related to order follow up & agents monitor payments. The agency is accountable for growth of that territory.

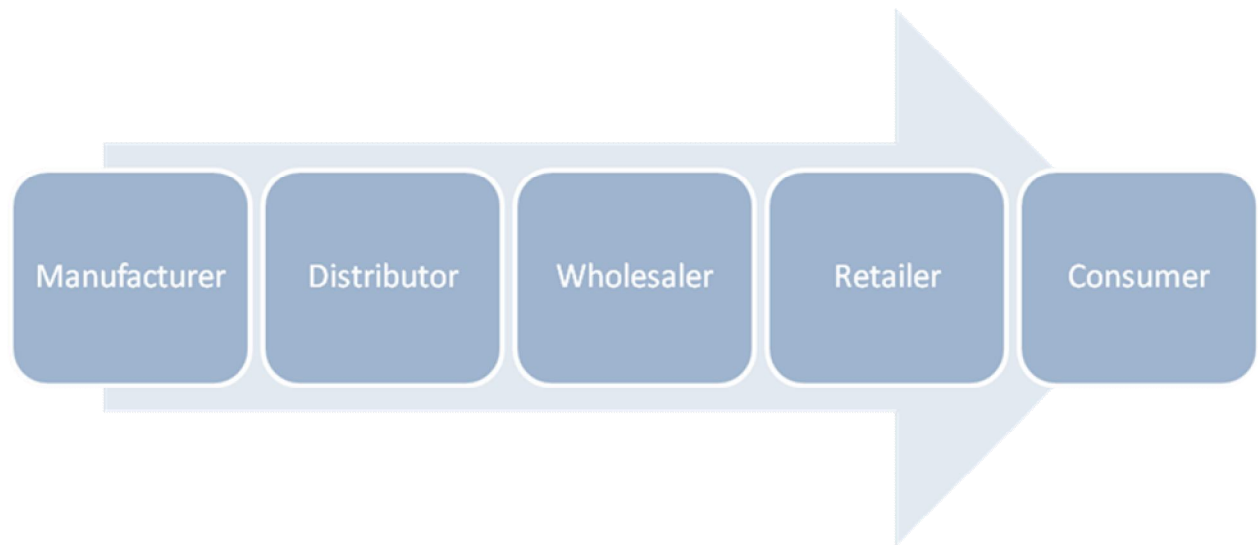
Examples – Bihar, Jharkhand, Northeast, West India & North India

Approach-2: States/brands directly controlled by Rupa's sales force. Services to agents are also available.

Examples – Orissa, West Bengal, Delhi, Chhattisgarh, & entire South India

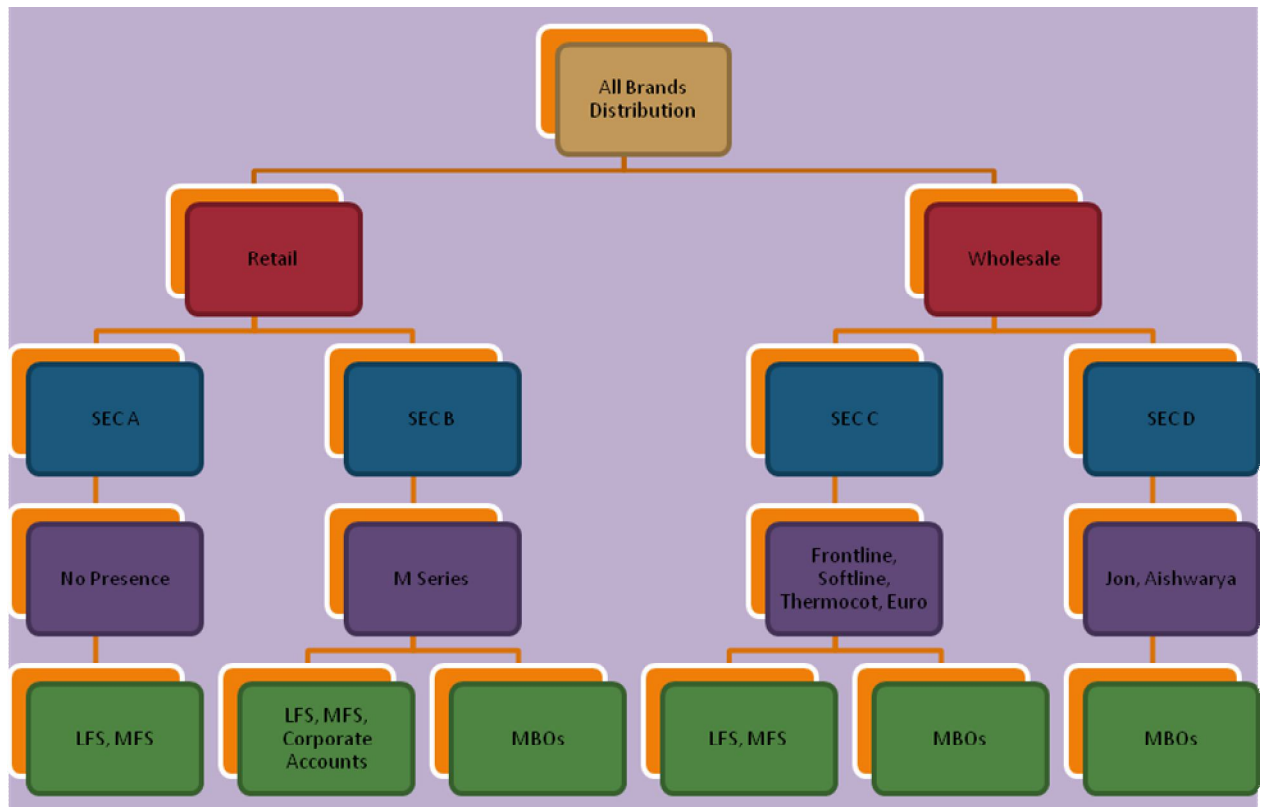
Channel 4: Manufacturer to distributor to jobber to retailer to consumer

Distribution through Wholesale Channel



There are three intermediaries present between the manufacturer and the consumer in this distribution channel. The one new intermediary present in this type of channel is jobber who is actually a small time wholesaler. This type of distribution channel is also present in Rupa though the turnover through this medium is hard to ascertain.

Distribution Channel Structure of Rupa & Co:



SWOT ANALYSIS

STRENGTHS

Channel 1: Manufacturer to Consumer: Sales through Internet

Hardly any strength can be found in the direct distribution channel since it is still in a very nascent stage in the company. There is no discriminating feature present in this channel as of now as far as Rupa is concerned.

Channel 2: Manufacturer to retailer to consumer

- The Large Format Stores and Modern Format Stores are one of the most important distribution channels as far as the future prospects are concerned.
- Presently this channel has been employed only in the promotion of value packs of Rupa Jon, Frontline and Soft Line and has created a lot of awareness about these brands among the people preferring to shop in only such stores.
- In addition, the nationwide presence of these stores has ensured the availability of the value packs of the above-mentioned brands throughout the country.

Channel 3: Manufacturer to distributor to retailer to consumer

Rupa Junction:

- Agents have their strong network, appoint dealers with experience, and promote them to grow within the company.
- Rupa & Co Brand Pull is very high especially in Hindi speaking states due to electronic media advertisements in all national channels.
- They provide the company with exclusive advertisements for its various brands free of costs. Also they display posters, banners and hoardings of Rupa in their shops in the best locations enhancing the brand recall in the mind of the consumer.

- Since Rupa Junctions are established by the contract between the company and some already established retailer, the competitors' brands, which were previously sold from those counters, are displaced.
- The Rupa junction establishes the retail platform for the company if the company decides to explore such a prospect in future.
- These stores are able to cater the brand loyal customers who find it hard to get their favorite brand in a region where that brand is rarely sold due to low sales turnover.
- Rupa Junctions may also serve as readymade showrooms in case the company decides to expand in other apparels categories.

Traditional Channel

- This is the oldest mode of distribution prevailing in Rupa and undoubtedly, the most established one too. There are 700 distributors and around 100,000 retailers presently in Rupa's network. This channel operates on the nation-wide basis and is the chief reason behind the leadership of Rupa in the hosiery market.
- Since this is the most popular channel, it gives indications regarding customers' tastes and preferences prompting the company to devise its strategy accordingly regarding introduction of new brands and abandoning of obsolete, not-in-demand brands.
- Delivery of the company is satisfactory as far as the retailers are concerned.
- Most of the consumer population still likes to go to the neighborhood shops to buy inner wears. So the wide network of Rupa always ensures the availability of its brands in the vicinity of the consumer.
- The customer trusts this traditional mode of distribution and feels much more comfortable regarding any quality issues.

- This channel also facilitates the minor penetration in the rural markets that the company has at present juncture though the volume of rural business cannot be ascertained in the absence of any reliable data.

Channel 4: Manufacturer to distributor to jobber to retailer to consumer

- This channel is very similar to the channel 3 traditional distribution channel. So it has the same strengths as the traditional distribution channel.

WEAKNESSES

Channel 1: Manufacturer to Consumer: Sales through Internet

- There is only one brand-Euro covered through this type of distribution and no other brand of Rupa is sold through this channel.
- The scale of operation for this type of channel is still quite low as the sales figure for 2009-10 suggests.
- There is no effective marketing for such an economical mode of distribution. The company's website is user-unfriendly but has a very amateurish look.
- There is lack of trained staff to deal with such a mode of distribution. Only one employee deals with such type of sales. This is due to the reluctance of the company to deal in this mode of distribution because of its conventional approach towards business.
- Delivery issues in such a distribution channel: Once the customer places the order, precious time is killed in the company doing paperwork.

Channel 2: Manufacturer to retailer to consumer

- The main weakness in this type of distribution channels is the very poor presence of Rupa's brands in large format stores. There are only value packs available in these stores.
- The brands available here are Rupa Jon, Frontline and Soft Line. Of these three Rupa Jon hardly makes any sense at all. The brand is a SEC-D

category brand, which is hard to be expected in a market like modern trade where consumers are willing to spend to avail good quality stuff.

- Also the turnover of these brands has shown hardly any growth in the past two years. The turnover for 2008-09 was Rs 41 lacs while in 2009-10 it was 44 lacs. The worst scenario is happening in the current year when only Rs. 45,000 sales have been registered in this market. It is very ironical that when the LFS market is on the boom, Rupa's sales are actually declining through the counter of these stores.
- There is acute shortage of trained staff to deal with the requirement of these modern and highly professional stores. There is only one retail manager and one employee to deal with all the 'modern trade'.
- The trade terms offered by the company are not quite compatible with these stores.
- The credit terms offered by Rupa are not competent enough with the market and so are promptly treated as harsh by the market.
- Also there is delay in transit on the part of Rupa when dealing with the specific requirement of these stores. There are a lot of unnecessary delays in the various departments from the time of receiving the order to dispatching the final order. These unnecessary delays are really not appreciated by the large format stores.

Channel 3: Manufacturer to distributor to retailer to consumer

Rupa Junction

- Rupa junctions are the exclusive brand outlets of the company; still they are meted out with the same treatment as any other ordinary retailer. The same distributor supplies them as their competitors and when there is a shortage of a particular brand in the market, they are subjected to it. In case of shortage of any brand in junction stores, the company's image is directly hit.

- They are also offered the same terms by the distributors as their competitors effectively leaving them with no competitive advantage over their rivals.
- They have to keep all the brands irrespective of the fact whether they are able to sell them or not. This increases their inventory holding costs and in turn decreases the profitability of the whole venture.
- They also face the dilemma of selling at the MRP as stipulated by the company, which is hardly competitive in the circumstances that their rivals are undercutting and selling the goods at discounted prices. This prompts them also to undercut and sell at competitive prices violating the company policies.
- Many Rupa junctions are located in small, ill-managed shops violating the bare minimum requirements for a junction store. This fact poses a potential threat of brand dilution to the brand Rupa.

Traditional Channel

- The main weakness as far as this distribution channel is concerned is of undercutting at different levels. The distributors cut their prices to win over other distributors' customers and so do the retailers to catch their competitors' customers. The immediate effect of this undercutting is that the customer loses his confidence in the retailer about the price he is being offered. It is only direct impact of undercutting which the retailer faces. The indirect effect comes in the form of resentment in the retailer regarding the brand Rupa that may hit the sales.
- The supply problem exists here too. However, this supply problem was because of incorrect sales forecast regarding certain brands.
- Trade terms are not very favorable as far as replacement of defective goods is concerned.
- There are traditional Approach of Booking Orders by Agents & Sales Force. Agents are not updated with depot stock positions & They Book Orders & every time there is short Supply .

- Agents are only Confined to Primary Order Booking & after Receipt of Order in Rupa Office they wait & only get Complete information after dispatch.
- Order to Dispatch Cycle is never less than 7 days to 10 days
- There is no Ware housing , Indenting , Sales Forecasting, Inventory management, System integrated Supply Chain to Deliver Consignment.
- All above activities are being executed with skilled workers based on there experience.

Channel 4: Manufacturer to distributor to jobber to retailer to consumer

- The weaknesses of this mode of distribution are same as those of channel 3 traditional distribution.

OPPORTUNITIES

Channel 1: Manufacturer to Consumer: Sales through Internet

- The direct channel has remained by far as a mostly neglected mode. Only one brand has been covered by this. More brands should be brought under this mode of distribution.
- This is a very cheap mode of distribution removing all the intermediaries' costs. So it would not be very difficult to sell all the brands through this medium.
- In addition, if the company can improve its website and showcase its products in a more attractive manner, it may be a source of good marketing for the company's various brands.

Channel 2: Manufacturer to retailer to consumer

- Large format stores are presently booming in India and the future of the company's growth lies there only.
- Large format stores are spread across the length and breadth of the country. Thus they are able to enhance the availability of a brand to a distinct social class which prefers to shop in malls.

- In addition, the presence of Rupa's brands in these stores, when seen in the vicinity of premium category brands will enhance the brand image of Rupa in the psyche of the customer.

Channel 3: Manufacturer to distributor to retailer to consumer

Rupa Junction

- Rupa junctions cover only five states. More stores can be opened to cover a larger consumer base.
- With careful planning, they may turn out to be the flagship stores for brand Rupa.

Traditional Channel

- Only the traditional retailers operate in the rural areas where there is hardly any organized reach of Rupa's distributors. Making a systematic rural penetration may expand the otherwise saturated market for Rupa.
- Offering favorable terms to the retailers may tip the balance in Rupa's favor when the customer is not very brand conscious, which is the case more often than not.

Channel 4: Manufacturer to distributor to jobber to retailer to consumer

- Same as the traditional channel.

THREATS

Channel 1: Manufacturer to consumer: Sales through internet

- There are hardly any immediate threats in this channel. The reason is simple. Nobody thinks it to be a potential channel of distribution. The only threat here is that this channel has no entry barriers to it. Anyone can make a good website for its brands and start using this mode of distribution.

Channel 2: Manufacturer to retailer to consumer

- Many brands like Jockey, VIP, Hanes and Calvin Klein have already established themselves on the shelves of these stores. If the company waits too long, it will be hard to find favorable terms to enter this market.
- As has been already mentioned that VIP has a wide presence across such stores. And it is a known fact that VIP competes in the same category as Rupa. So it is like losing the market to the competitor voluntarily.

Channel 3: Manufacturer to distributor to retailer to consumer

Rupa Junction

- The threat of brand dilution is very prominent as the most of the shops that are employed as Rupa junctions, are simply pathetic. It cannot be expected of them to promote the brand Rupa.

Traditional Channel

- Undercutting in prices has been causing resentment among the various channel partners and may cause them to look towards the rival brands in future.
- Without improving its supply the company may lose potential sales through these channels.
- Agents are working in Comfort Zone & there territory are being eroded with competitors
- Agents are treating company sales force as their competitors/real threat.

Channel 4: Manufacturer to distributor to jobber to retailer to consumer

Same as the traditional channel in channel 3 distribution